

# What Is the Process?

1. An *eligible business* submits an application (Michigan Department of Treasury form 3427) to the *eligible local assessing district* (local unit). Before processing the application, the local unit of government must determine if the project is in an eligible district. If not, the local unit of government must first establish a district.
2. The governing body of an eligible local assessing district adopts a resolution which provides for the exemption. The local community and the business negotiate the length of abatement for the new personal property tax via adoption of the resolution. There is no maximum or minimum number of years. The abatement for the personal property tax includes both the local millage levied and the state education tax.
3. The State Treasurer, with written concurrence of the MEDC, advises the State Tax Commission as to whether exempting the new *personal property* of the *eligible business* is necessary to:
  - o Reduce unemployment.
  - o Promote economic growth.
  - o Increase capital investment in the state.
4. The State Tax Commission approves or disapproves the application.